droppRWA & Harneys to Disrupt the $141 Billion Insurance-Linked Securities Market With On-Chain Legal Title

Harneys and droppRWA partner to bring on-chain legal title to Bermuda's $142B insurance-linked securities market

droppRWA and Harneys collaborate on a Bermuda-based framework for legally recognized on-chain catastrophe bond ownership

HAMILTON, BERMUDA, September 3, 2026 /EINPresswire.com/ -- The insurance-linked securities (ILS) market has ballooned to a record $142 billion and Bermuda has captured nearly all of it. Last year, 93.2% of global catastrophe bond issuance ran through the Bermuda Stock Exchange and the exchange closed the second quarter of 2026 with $70.5 billion in listings after its busiest three months ever. What hasn't followed the money to Bermuda is the infrastructure that actually records who owns what. That's the gap Harneys and droppRWA say they're closing.

The two companies announced a collaboration Wednesday to enable the issuance of the first catastrophe bond (cat) with on-chain legal title by the first quarter of 2027. Harneys, which advises 18 of the world's 20 largest banks on Bermuda, Cayman and BVI law, has built a structure under which moving the token legally moves title to the underlying security, enforceable under Bermuda law as it exists today, no legislative changes required. droppRWA is supplying the ledger to run it, drawing on technology infrastructure it built for the Saudi government, which used it last November to execute the kingdom's first tokenized property title transfer.

The pitch is that most tokenization projects have gotten the order of operations backwards. A token gets issued, but the register, the collateral trust, the paying agent and the settlement process all stay exactly where they were. So the token is really just pointing at a claim on someone else's books, inheriting whatever's wrong with that system underneath.

Harneys and droppRWA built the legal mechanism first and are now aligning participants and regulators before bringing a deal to market, taking the timeline into early 2027.

> The deployment of droppRWA's sovereign ledger technology within that existing framework conclusively resolves the regulatory challenges and legal risks threatening continued innovation and growth"
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> *Henry Tucker - Harneys Bermuda Managing Partner*

The legal foundation rests on Bermuda's existing segregated accounts and digital asset laws, specifically 25 years of case law upholding the wall between segregated accounts. Henry Tucker, Harneys' Bermuda Managing Partner, wrote the netting opinions ISDA relies on for Bermuda counterparties and he structured the deal around the same Digital Asset Business Act framework he works in regularly.

"For three decades, Bermuda's proven legal and regulatory framework has been the foundation of its role as a global leader in the continued growth of ILS. The deployment of droppRWA's equally proven sovereign ledger technology within that existing framework conclusively resolves the regulatory challenges and legal risks that would otherwise threaten continued innovation and growth into the next three decades. The same features of the droppRWA sovereign infrastructure that resolve regulatory and legal risks by providing unprecedented certainty to auditors, regulators and investors, simultaneously allow traditional ILS market participants to immediately leverage rapidly emerging opportunities in artificial intelligence, access a broader universe of institutional capital providers and make a liquid active secondaries market in ILS a near term reality."

droppRWA President Jose Rodriguez was more blunt about the competition. "Launching a tokenized cat bond without the legal title mechanism, register, and regulatory pathway first in place just adds another digital receipt on top of the same old plumbing - a failure waiting to happen," he said, contrasting it with Saudi Arabia, where the tokenized record became the government's actual system of record under a standard anyone can audit.

This tech evolution doesn't remove any stakeholder from the process. Insurance managers keep their licenses, auditors and listing sponsors keep their roles, bonds still list on the Bermuda Stock Exchange and trustees stay in place wherever investors want them. The only thing moving to the blockchain is the paperwork passed between four parties by email, the register, the payment waterfall and the eligibility checks.

Both companies are framing this as public infrastructure, with Rodriguez arguing that any issuer should be able to choose tokenized or traditional issuance. Anything narrower, he said, is "a product, not a market." The plan still needs regulatory sign-off and whoever administers the platform will need a license under the 2018 Digital Asset Business Act. Interested firms can reach out to either company directly.

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